

DYER COUNTY E911  
EMERGENCY COMMUNICATION DISTRICT  
FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
Year Ended June 30, 2008

DYER COUNTY E911  
Dyersburg, Tennessee  
FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
June 30, 2008

ROSTER OF BOARD OF DIRECTORS

Thomas White	Jeff Burns
Jeff Holt	Kris Kent
Bob Williamson	Benny Spain
James Medling	Thomas Reasons
Bart Williams	

DYER COUNTY E911  
Dyersburg, Tennessee  
FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
June 30, 2008

TABLE OF CONTENTS

Audited Financial Statements

Independent Auditor's Report.....	1-2
Statement of Net Assets.....	3
Statement of Revenues, Expenses and Changes in Net Assets.....	4
Statement of Cash Flows .....	5-6
Notes to Financial Statements .....	7-9

Other Financial Information

Budgetary Comparison Schedule.....	10-11
Schedule of Federal Awards .....	12
Schedule of Information Required by the Tennessee Emergency Communication Board.....	13
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	14-15
Schedule of Findings, Recommendations and Responses.....	16

# JOE M. ENOCH & ASSOCIATES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

110 West Court • P.O. Box 547  
Dyersburg, Tennessee 38025

731-286-6080 • Fax 731-286-8077

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Dyer County E911 Emergency Communication District  
Dyersburg, Tennessee

We have audited the accompanying statement of net assets of Dyer County E911 Emergency Communication District, a component unit of Dyer County, Tennessee, as of June 30, 2008 and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dyer County E911 Emergency Communication District at June 30, 2008, the results of its operations and its cash flows for the year then ended in conformity with accounting principles as generally accepted in the United States of America.

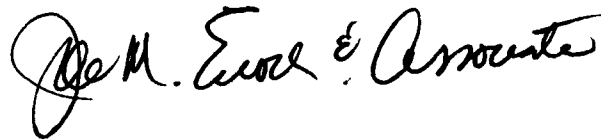
Government Accounting Standard Board Statement No. 34 requires the inclusion of a Management Discussion and Analysis Letter, however the management of Dyer County E911 has decided not to include this letter in the June 30, 2008 report.

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2008, on our consideration of Dyer County E911 Emergency Communication District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Board of Directors  
Dyer County E911 Emergency Communication District  
Dyersburg, Tennessee  
Page 2

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information is presented for purposes of additional analysis and is not a required part of the basic financial statements of Dyer County E911 Emergency Communication District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dyersburg, Tennessee  
December 21, 2008

A handwritten signature in black ink that reads "Joe M. Enock & Associates". The signature is written in a cursive, flowing style.

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
STATEMENT OF NET ASSETS  
June 30, 2008

ASSETS

<u>Current Assets</u>		
Cash		\$ 524,139
Certificates of deposit		379,704
Accounts receivable		27,413
Prepaid expenses		5,614
Accrued interest receivable		1,156
Total Current Assets		<u>938,026</u>
<u>Fixed Assets</u>		
Equipment	\$ 1,810,632	
Less: Accumulated depreciation	<u>(791,415)</u>	
Net Fixed Assets		<u>1,019,217</u>
TOTAL ASSETS		<u>\$ 1,957,243</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable-trade		\$ 410,802
Total Current Liabilities		<u>410,802</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt		1,019,217
Unrestricted net assets		<u>527,224</u>
Total Net Assets		<u>1,546,441</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 1,957,243</u>

See accompanying notes and accountant's report.

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
For the Year Ended June 30, 2008

<u>Operating Revenue</u>	
Telephone revenue	\$ 363,733
Total Operating Revenue	<u>363,733</u>
<u>Operating Expenses</u>	
Dispatchers (RDAG)	7,461
Advertising	9
Audit services	1,975
Accounting services	1,300
Contracts with government agencies	17,600
Contracts with private agencies	5,640
Legal Services	75
Maintenance agreements	42,180
Maintenance and repairs - buildings & facilities	1,276
Maintenance and repairs - vehicles	1,173
Communications equipment - lease payments	44,795
Office supplies and postage	186
Small equipment	800
Dues and memberships	317
Insurance - liability	7,705
Insurance - equipment	1,334
Insurance - vehicles	2,684
Premiums on surety bonds	1,830
Public education	544
Service awards	3,867
Training	1,375
Travel	4,764
Other charges	102
Other contract services	1,026
Loss on disposal of equipment	548
Depreciation - equipment	175,792
Total Operating Expense	<u>326,358</u>
OPERATING INCOME (LOSS)	<u>37,375</u>
<u>Non-operating Revenue</u>	
State Emergency Communications Board - reimbursement	154,575
Interest income	16,286
Total Non-operating Revenue	<u>170,861</u>
INCREASE IN NET ASSETS	208,236
Net Assets, July 1, 2007	<u>1,338,205</u>
Net Assets, June 30, 2008	<u><u>\$ 1,546,441</u></u>

See accompanying notes and accountant's report.

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2008

<u>Cash Flows From Operating Activities</u>		
Receipts from emergency service charges		\$ 363,173
Payments to suppliers		<u>(152,925)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		210,248
<u>Cash Flows From Capital and Related</u>		
<u>Financing Activities</u>		
Purchase of equipment	\$ (600,907)	
Increase in accounts payable - capital expenditures	<u>398,079</u>	
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES		(202,828)
<u>Cash Flows From Noncapital</u>		
<u>Financing Activities</u>		
Reimbursements from State Communications Board	<u>154,575</u>	
NET CASH PROVIDED IN NONCAPITAL FINANCING ACTIVITIES		154,575
<u>Cash Flows From Investing Activities</u>		
Purchase of certificates of deposit	(50,555)	
Interest paid on investments	<u>18,570</u>	
NET CASH USED BY INVESTING ACTIVITIES		<u>(31,985)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		130,010
Cash and Cash Equivalents, July 1, 2007		<u>394,129</u>
CASH AND CASH EQUIVALENTS, June 30, 2008		<u>\$ 524,139</u>

See accompanying notes and accountant's report.



DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
STATEMENT OF CASH FLOWS (CONTINUED)  
For the Year Ended June 30, 2008

<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided (Used) by Operating Activities</u>	
Operating income	\$ 37,375
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation - equipment	175,792
Loss on equipment disposal	548
Changes in current assets and current liabilities:	
Increase in accounts receivable	(557)
Decrease in prepaid expenses	2,563
Increase in accounts payable-trade	(5,473)
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 210,248</u></u>

See accompanying notes and accountant's report.

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2008

Note 1 - Significant Accounting Policies

The Dyer County E911 Emergency Communication District (the "District"), a component unit of Dyer County, was formed under the provisions of the "Emergency Communication District Law" of the State of Tennessee. The District has a board of directors appointed by the Dyer County legislative body.

The District provides a uniform emergency number to shorten the time required for a citizen to request and receive emergency aid.

The District's operations are financed in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless these pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB), in which GASB prevails. The District has elected not to apply Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions and Accounting Research Bulletins of the Committee on Accounting Procedure after November 30, 1989 and will apply only GASB pronouncements. The following is a summary of more significant policies:

Reporting Entity

The District includes only the funds relevant to the operation of the Dyer County E911 Emergency Communication District. Dyer County E911 is a component unit of the primary government of Dyer County. Therefore, the financial statements of the District include only those funds controlled and administered by the District and the governing board of directors. Control is determined on the basis of budget adoption, taxing authority, funding and appointing of the governing board. The Dyer County Legislative body must approve issuance of debt for the District. They also have the ability to adjust the service charges of the District.

Cash and Cash Equivalents

For purposes of the statement of cash flows, only investments with original maturities of less than three months are considered to be cash equivalents.

Basis of Accounting

The books and records of Dyer County E911 Emergency Communication District are maintained on a full accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended June 30, 2008

Note 1 - Significant Accounting Policies (Continued)

Property and Equipment

Fixed assets, including infrastructure assets, are recorded at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets. Any construction period interest is added to the cost of the related asset.

The following is a summary of fixed assets at June 30, 2007 and 2008.

	Balance 6/30/2007	Additions	Retirements and Transfers	Balance 6/30/2008
Equipment	\$ 1,287,002	\$ 600,907	\$ (77,277)	\$ 1,810,632
Total	1,287,002	600,907	(77,277)	1,810,632
Accumulated depreciation	692,351	175,792	(76,728)	791,415
Net Fixed Assets	<u>\$ 594,651</u>	<u>\$ 425,115</u>	<u>\$ -</u>	<u>\$ 1,019,217</u>

Investments

Investments of the District consist of certificates of deposit at banks. Investments are valued at cost. The District is allowed to invest in the following: bonds, notes, or treasury bills of the United States; nonconvertible debt securities of the Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Student Loan Marketing Association; and other obligations which are guaranteed as to principal and interest by the United States or any of its agencies; certificate of deposit at state and federal chartered banks and savings and loans.

Collateralization of Deposits

All bank balances of the district were completely insured either by the Federal Deposit Insurance Corporation or through the Bank Collateral pool with the State of Tennessee.

Note 2 - Concentration of Credit Risk

The District bills all telephone customers within its boundaries by a surcharge on the telephone bills. The telephone companies then remit the collections on a regular basis to the District. At June 30, 2008, these telephone companies are indebted to the District in the amount of \$27,413. There is no collateral or bonds securing these debts.

Note 3 - Revenue Recognition

Revenue is recorded at the time earned.

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended June 30, 2008

Note 4 - Operating Lease

The E911 District obtained an operating lease of some emergency telephone equipment from Bell South. There is no pre-arranged lease term on this lease. The E911 District is required to make monthly lease payments using an established rate for as long as the equipment is used by the E911 District. At any time, the E911 District may return the equipment to Bell South and thus terminate the operating lease.

Note 5 - Net Working Capital

At June 30, 2008, net working capital is \$527,224.

Note 6 - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 7 - Risk Management

The District manages the various types of risk that apply through the use of commercial insurance. The District insures against the risk of loss of property and director's misappropriation of funds. There were no settlements in excess of insurance coverage in any of the past three years.

Note 8 - Contracts With Government Agencies

The District entered into an agreement with a local government entity whereby the local government provides technical consulting and mapping/addressing services to the District. \$17,600 was paid for these services during the year ending June 30, 2008.

Note 9 - Non-operating Revenue

The District received a reimbursement from the State Communications Board of \$150,000 for a Mobile 911PSAP and \$4,575 for mapping and related expenditures to enhance wireless 911 service.

DYER COUNTY E911 EMERGENCY

COMMUNICATION DISTRICT

OTHER FINANCIAL INFORMATION

Year Ended June 30, 2008

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<u>Operating Revenue</u>				
Emergency telephone service charge	\$ 160,000	\$ 174,304	\$ 174,304	\$ -
TECB-operational funding distribution		104,081	104,081	
TECB-shared wireless charge	150,000	89,363	85,348	(4,015)
Total Operating Revenue	310,000	367,748	363,733	(4,015)
<u>Operating Expenses</u>				
Dispatchers	7,480	7,459	7,459	
Advertising		9	9	
Audit services	1,750	1,975	1,975	
Accounting services	1,200	1,300	1,300	
Contracts with government agencies	19,200	17,600	17,600	
Contracts with private agencies	5,280	5,640	5,640	
Legal services		75	75	
Maintenance agreements	36,000	39,150	42,180	(3,030)
Communications equipment - lease payments	58,000	44,588	44,745	(157)
Communications equipment - maintenance and repair	5,000		2	(2)
Building and facilities - maintenance and repair		694	694	
Vehicle repairs	2,500	1,173	1,173	
Contract services		1,026	1,026	
Language line	100			
Office supplies		777	777	
Postage		41	41	
Small equipment purchases	5,000	9,534	800	8,734
Bank charges	50			
Dues and memberships	500	317	317	
Insurance-liability	6,000	7,705	7,705	
Insurance-equipment	6,500	4,018	4,018	
Premiums on surety bonds	2,000	1,830	1,830	
Public education		544	544	
Service awards	1,500	3,867	3,867	
Training	5,000	1,375	1,375	
Travel expenses	2,000	4,764	4,764	
Other charges		92	92	
Other charges-safe deposit box	10	10	10	
Loss on equipment disposal			548	(548)
Depreciation- equipment	75,000	75,000	175,792	(100,792)
Total Operating Expenses	240,070	230,563	326,358	(95,795)
OPERATING INCOME (LOSS)	69,930	137,185	37,375	(99,810)

See accompanying notes and accountant's report.

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
For the Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>Non-operating Revenue</u>				
Interest Income	\$ 400	\$ 13,567	\$ 16,286	\$ 2,719
State Communications Board-reimbursement	150,000	150,000	154,575	4,575
Total Non-operating Revenue	<u>150,400</u>	<u>163,567</u>	<u>170,861</u>	<u>7,294</u>
 INCREASE IN NET ASSETS	 220,330	 300,752	 208,236	 (92,516)
 Net Assets, July 1, 2007	 <u>1,338,205</u>	 <u>1,338,205</u>	 <u>1,338,205</u>	
 Net Assets, June 30, 2008	 <u>\$ 1,558,535</u>	 <u>\$ 1,638,957</u>	 <u>\$ 1,546,441</u>	 <u>\$ (92,516)</u>
 Budget basis		\$ 300,752		
Revenue accruals		1,724		
Expenditure accruals		(2,910)		
Depreciation		(100,792)		
GAAP basis		<u>\$ 198,774</u>		

See accompanying notes and accountant's report.

DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
SCHEDULE OF FEDERAL AWARDS  
For the Year Ended June 30, 2008

<u>CFDA Number</u>	<u>Programs</u>	<u>Balance 7/1/07</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Balance 6/30/08</u>
<u>Tennessee Department of Commerce and Insurance</u>					
	GIS Mapping Maintenance Grant	\$ -	\$ 4,575	\$ 4,575	\$ -
	Mobile 911 PSAP Reimbursement		150,000	150,000	
	Total	<u>\$ -</u>	<u>154,575</u>	<u>154,575</u>	<u>\$ -</u>

See accompanying notes and accountant's report.



DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
SCHEDULE OF INFORMATION REQUIRED BY  
THE TENNESSEE EMERGENCY COMMUNICATION BOARD  
June 30, 2008

Address of each public safety answering points

Dyersburg Communication Center (EOC)  
1165 Harrell Avenue  
Dyersburg, TN 38024

Dyer County Sheriff Department  
401 E Cedar  
Dyersburg, TN 38024

Newbern Police Department  
121 E Main Street  
Newbern, Tn 38059

Type of system/equipment and data base used by each public safety answering point

The equipment is Plant/CML with a Motorola data base.

Name, address, telephone number and fax number of the director of the emergency communication district

The district is board managed.

Name, address, telephone number and fax number of the chairman of the emergency communication district

Benny Spain  
225 Auburn Ave.  
Dyersburg, TN 38024  
(731) 287-7937 office  
(731) 286-8006 fax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Dyer County E911 Emergency Communication District  
Dyersburg, Tennessee

We have audited the financial statements of Dyer County E911 Emergency Communication District, for the year ended June 30, 2008, and have issued our report thereon dated December 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Dyer County E911 Emergency Communication District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings, recommendations and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above to be a material weakness.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Dyer County E911 Emergency Communication District  
Page 2

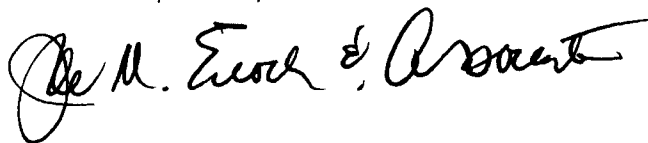
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dyer County E911 Emergency Communication District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings, recommendations and responses.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings, recommendations and responses. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, specified legislative or regulatory bodies, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dyersburg, Tennessee  
December 21, 2008



DYER COUNTY E911 EMERGENCY COMMUNICATION DISTRICT  
Dyersburg, Tennessee  
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND RESPONSES  
June 30, 2008

Prior Year Findings Not Implemented

Finding

Due to practical limitations in the size of the District, adequate segregation of duties is not present in the District's internal control structure. However, during the year the Board took an active interest in the financial transactions of the organization by reviewing detail transactions on a regular basis.

Recommendation

Management and the Board need to continue their efforts in complying with the control procedures that are in place to insure that transactions are properly documented and approved. The Board should continue to take an active interest in the financial transactions of the organization by reviewing detail transactions on a regular basis.

Management Response

We concur.

Finding

The district failed to comply with certain budget line items as noted in the Budgetary Comparison Schedule.

Recommendation

We recommend that the district more closely monitor the budget and adopt budget amendments if necessary.

Management Response

The District will continue to make efforts to amend the budget on a more timely basis, however some of these differences are cash to accrual differences.

Finding

Some of the balance sheet accounts and depreciation are not adjusted to the accrual basis at the end of the year.

Recommendation

An effort should be made to make accrual adjustments to the accounts at the end of the year.

Management Response

We agree, however we prefer those adjustments be made during the audit process with the approval and review of our bookkeeper.